DOCUMENT RESUME

ED 286 969 UD 025 800

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TITLE Racial Differentials in Younger Male Occupational Mobility Over the Business Cycle, 1966-1975.
INSTITUTION Roosevelt Univ., Chicago, Ill.
SPONS AGENCY Employment and Training Administration (DOL), Washington, D.C.
PUB DATE 86
GRANT DOL-21-25-78-46
NOTE 11p.; Paper presented at the Annual Conference of the Industrial Relations Research Association (38th, December 1985); reprint from the Proceedings, p391-399.
PUB TYPE Reports - Research/Technical (143) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Blacks; Business Cycles; Craft Workers; *Economically Disadvantaged; Employment Level; *Employment Patterns; Equal Opportunities (Jobs); Labor Economics; Labor Force; *Males; *Occupational Mobility; *Quality of Working Life; *Racial Differences; Social Status; Whites

ABSTRACT

This paper examines the effects of cyclical economic fluctuations on the occupational mobility of younger black and white male workers during the years between 1966 and 1975. Two measures of occupational standing were applied to 805 men who in 1966 were between the ages of 14 and 24 years. Their occupational position for the 10-year period was compared with economic upturns and recessions to ascertain racial differences in occupational gain. The analysis showed that younger black men were more likely to be at the bottom of the occupational categories than were younger white men. In all categories blacks held lower status positions than did whites. Both blacks and whites moved up the occupational hierarchy as groups, but when whites began in the same categories as blacks, they improved their occupational status more than blacks did over the 10 years. During the economic downturn of the 1970s, black craft workers suffered large losses in occupational status relative to white craft workers. (VM)

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RACIAL DIFFERENTIALS IN YOUNGER MALE OCCUPATIONAL MOBILITY OVER THE BUSINESS CYCLE, 1966-1975

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XIX. CONTRIBUTED PAPERS: LABOR ECONOMICS AND LABOR MARKETS

Racial Differentials in Younger Male Occupational Mobility Over the Business Cycle, 1966–1975*

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An economic expansion facilitates upward occupational mobility. Employers are more likely to upgrade current employees and to train new workers whom they would have otherwise refused to hire. Conversely, a recession increases the likelihood of downward occupational mobility. Within firms with internal labor markets, workers retaining jobs often do so by "bumping" down the occupational hierarchy. Those losing their jobs may eventually accept lower quality employment to escape from unemployment.

Studies of occupational mobility suggest that economic upturns may benefit blacks relative to whites with the opposite occurring during a downswing (e.g., Vroman, 1978). Analysts differ on whether the relative gains made by blacks during the 1960s continued in the 1970s. Some (e.g., Freeman, 1981; Smith, 1984) argue that the gains were sustained while others (e.g., Reich, 1981; Shulman, 1984) argue

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* This paper is based on research sponsored by the Employment and Training Administration, U.S. Department of Labor under research and development grant no. 21-25-78-46. It does not in any way reflect the official opinion or policy of the U.S. Department of Labor. Marshall Pomer, Peter Philips, and Bill Tabb provided helpful comments on previous drafts of this article.

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that they were diminished by the economic downturn of the mid-1970s.

This paper examines the effects of cyclical fluctuations during 1966–1975 on the occupational mobility of younger black and white male workers. The sample is described, and overall research design discussed. Then, the empirical findings are presented and conclusions drawn.

Design and Data

The data used are for younger men (aged 14–24 in 1966) from the National Longitudinal Surveys. This study includes men: (1) who were either black or white, (2) who in 1966, 1969, and 1975 reported their major activity during the survey week as either "working" or "with a job but not at work" and were not enrolled in school, and (3) who reported an occupation in 1966, 1969, and 1975. There are 214 black and 591 white men in the sample.

Those eliminated include the self-employed, those who were working without pay, and those who were either unemployed or out of the labor force during the 1966, 1969, or 1975 survey weeks. Those unemployed or out of the labor force were excluded because they could not report a current occupation. By eliminating the officially unemployed and the "discouraged workers," this sample includes those with better than average labor market experiences than the demographic group as a whole. This is more true for blacks than whites since blacks are more likely to be unemployed.

Those enrolled in school in either 1966, 1969, or 1975 were excluded because their occupations might have been chosen for flexible hours so as to be able to attend school. The individuals in this sample could have attended school in years other than 1966, 1969, and 1975.

The two measures of occupational standing are the one-digit Census occupation and the Duncan socioeconomic status index (SES), an ordinal prestige scale that assigns a rank between 0 and 97 to each of the three-digit 1960 Census occupations. Both are utilized for several reasons. First, the one-digit Census categories are very broad in scope. A job change within a one-digit Census occupation may result in a significant improvement or deterioration in job status which would be hidden by merely comparing one-digit occupations at different points in time. Second, there are difficulties in using SES scores in examining occupational change. The particular mobility patterns cannot be documented by merely comparing SES scores at two points in time.

Occupational position is examined for the years 1966, 1969, and 1975. Occupational mobility is tracked over three time periods—1966–1969, 1969–1975, and 1966–1975. There was continual economic growth during the late 1960s. The aggregate unemployment rate fell from 3.8 percent in 1966 to 3.5 percent in 1969. The rate of growth slowed during the first half of the 1970s, and real GNP even declined in 1974 and 1975. The aggregate unemployment rate rose to 8.5 percent in 1975.

The direction of mobility is defined as follows:

Upward mobility: $SES_{t+1} > SES_t$

Downward mobility: $SES_{t+1} < SES_t$

No change: $SES_{t+1} = SES_t$

where t = the beginning of the relevant time period and $t + 1$ = the end of the relevant time period.

Empirical Analysis

Throughout the 1966–1975 time period, blacks were more heavily concentrated at the lower end while whites were more likely to be found at the top of the occupational structure. Table 1 shows the occupational distribution of white and black men in 1966, 1969, and 1975. In 1966, 49 percent of the whites and 66.9 percent of the blacks were either operatives, service workers, or nonfarm laborers. Including farm laborers with the above categories encompasses 51.4 percent of the whites and 80 percent of the blacks. On the other hand, 11.6 percent of the whites but only 2.8 percent of the blacks were in professional or managerial positions. In addition, within virtually all broad occupational categories, blacks held lower status positions than whites. For example, in 1966 the service jobs held by blacks had an average SES score of 11.41 while those of whites had a value of 22.55. Overall in 1966, whites held positions with an average SES value of 30.57 while those held by blacks averaged 16.94.

The average SES scores of whites and blacks increased throughout the period. While many changed jobs, the occupational shifts differed for whites and blacks. In the latter half of the 1960s, blacks left low-status service positions and many of the youngest blacks moved off the farms.[1] Blacks gained access to more higher-status operative and craft jobs. At the same time, whites as a group moved from operative

[1] In 1966, while the average age of the black sample was 20.61 years, the average age of black farm workers was 18.62 years.

TABLE 1
Occupational Distribution of Men by Race, 1966–1975[a]

Occupation	1966		1969		1975	
	White	Black	White	Black	White	Black
Professional, technical	7.9	1.4	7.3	2.8	7.3	2.8
Managers, administrators	3.7	1.4	9.5	0.9	14.5	3.3
Clerical workers	8.8	6.1	6.4	7.5	5.4	4.2
Sales workers	5.4	0	6.3	0.5	5.1	2.3
Craft workers	22.6	10.7	27.0	15.0	33.3	22.9
Operatives	38.2	36.0	30.7	41.1	23.1	40.2
Service workers	3.4	15.0	3.0	5.6	3.5	6.5
Nonfarm laborers	7.4	15.9	8.1	18.7	4.9	12.6
Farmers, farm managers	0.2	0	0.3	0	1.4	1.0
Farm laborers	2.4	13.6	1.4	7.9	1.5	4.2
TOTAL[b]	100.0	100.1	100.0	100.0	100.0	100.0
SES	30.57	16.94	35.10	19.17	37.18	22.38

[a] With the exception of the SES values, all quantities are percentages.
[b] In one case, the total differs from 100 percent due to rounding.

positions. There was a substantial increase in the share of white craft workers and managers.

This trend continued for whites in the first half of the 1970s. A different pattern emerged for blacks. Blacks as a whole did not continue leaving service work, though the economic downturn did not return most blacks to this sector. The craft category continued to increase in relative importance while the operative group did not. Many nonfarm laborers found other jobs. Some blacks were able to become managers.

Behind the overall shifts in the occupational distribution lie particular mobility flows. Table 2 shows the degree of upward mobility from 1966–1969 by 1966 occupation, from 1969–1975 by 1969 occupation, and from 1966–1975 by 1966 occupation for each racial group. In all cases where the white-black differential in the likelihood of upward mobility from a given occupation is statistically significant, whites were more likely to be upwardly mobile. Yet in 1966–1969 and 1966–1975, the overall racial differential is statistically insignificant, and in 1969–1975, blacks as a whole were significantly more likely than whites to be upwardly mobile. These results for the groups as a

TABLE 2

Upward Mobility of Men
by Occupation by Race, 1966–1975*

Occupation	1966-69 by Occ (1966)		1969-75 by Occ (1969)		1966-75 by Occ (1966)	
	White	Black	White	Black	White	Black
Professional, technical	23	0•	14	33	18	0•
Managers, administrators	5	33	9	0•	23	33
Clerical workers	52	8•	26	25	53	15•
Sales workers	59	—	32	0•	50	—
Craft workers	22	9••	22	9•	41	16•
Operatives	49	38•	48	50	60	53
Service workers	40	56	17	25	64	73
Nonfarm laborers	70	44•	75	73	87	74
Farmers, farm managers	0	—	0	—	0	—
Farm laborers	57	38	25	47	60	66
TOTAL	42	36	33	43•	51	53

* All quantities are percentages.

• White-black differential is significant at the 5% level, two-tailed test.

•• White-black differential is significant at the 10% level, two-tailed test.

whole can be explained by blacks being concentrated at the bottom of the occupational structure. A group at the bottom of a hierarchy can only move up.

Whites were significantly less likely to be upwardly mobile from 1969–1975 as compared with 1966–1969, while the same did not hold for blacks. The racial differentials in the likelihood of upward mobility within or from given occupations closed. For example, white clerical workers, operatives, and nonfarm laborers were no longer significantly more likely to experience upward mobility than their black counterparts. Perhaps, the positive effects of affirmative action programs were counteracting, to some degree, the negative impact of the economic downswing on black occupational prospects. But, the extent of black occupational improvement sharply diminished during the economic downturn. Of those upwardly mobile from 1966–1969, 40 percent of blacks and 31 percent of whites increased their SES scores by 10 points or less; from 1969–1975, 56 percent of blacks and 34 percent of whites did so.

Table 3 shows the degree of downward mobility from 1966–1969

by 1966 occupation, from 1969–1975 by 1969 occupation, and from 1966–1975 by 1966 occupation for whites and blacks. Excluding those holding service positions in 1969, in all cases where the white-black differential in the likelihood of downward mobility is statistically significant, blacks were more likely to be downwardly mobile.[2] Yet, in no instance was the overall racial differential statistically significant. At least for the entire time period, this can be explained by blacks being concentrated at the bottom of the occupational structure. There, virtually by definition, people are less likely to be downwardly mobile.[3]

TABLE 3

Downward Mobility of Men
by Occupation by Race, 1966–1975*

	1966-69 by Occ (1966)		1969-75 by Occ (1969)		1966-75 by Occ (1966)	
Occupation	White	Black	White	Black	White	Black
Professional, technical	38	0*	33	17	41	33
Managers, administrators	59	67	46	0*	65	67
Clerical workers	29	38	50	44	38	69*
Sales workers	19	—	41	100*	32	—
Craft workers	32	43	26	50*	26	52*
Operatives	24	32	23	25	22	33**
Service workers	20	22	28	17*	9	15
Nonfarm laborers	14	38*	10	10	4	12
Farmers, farm managers	0	—	50	—	0	—
Farm laborers	7	10	0	6	7	10
TOTAL	27	30	28	25	26	29

* All quantities are percentages.

* and ** are defined as in Table 2.

[2] This ignores the findings for professionals in 1966 and managers in 1969. There were only 3 black professionals in 1966 and 2 black managers in 1969. Also, there was only 1 black sales worker in 1969. The result for service workers is explained by the relatively low SES value of black service workers in 1969—14.08—as compared to a white SES value of 31.67.

[3] Reflecting their position at the bottom of the occupational structure, there was no change in the proportion of downwardly mobile blacks experiencing a 10 point or less decrease in their SES score from 1969–1975 as compared to 1966–1969. But, there was a fall in the proportion of downwardly mobile whites doing so. Of those downwardly mobile from 1966–1969, 57 percent of whites and 68 percent of blacks experienced a 10 point or less decrease in their SES score; from 1969–1975, 43 percent of whites and 67 percent of blacks did so.

From 1966–1975, black clerical workers, craft workers, and operatives were significantly more likely to be downwardly mobile than their white counterparts. In addition, 50 percent of black craft workers in 1969 but only 26 percent of white craft workers suffered losses in occupational status during the economic downturn of the mid-1970s. Thus, not only were black craft workers significantly less likely than whites to be upwardly mobile during this period, they were also substantially more likely to be downwardly mobile.

TABLE 4

SES Change of Men by Occupation (1966) by Race, 1966–1975

	SES (1975) — SES (1966)	
Occupation (1966)	White	Black
Professional, technical	−8.35	−2.33
Managers, administrators	−17.50	−10.33
Clerical workers	6.58	−10.62
Sales workers	2.28	—
Craft workers	5.59	−2.43
Operatives	10.28	5.73
Service workers	10.85	11.72
Nonfarm laborers	17.07	9.91
Farmers, farm managers	0	—
Farm laborers	15.21	7.28

The data in the previous two tables suggest, and the data in Table 4 confirm, that over the entire time period, whites beginning in the same occupation as blacks generally improved their occupational standing more than blacks. Table 4 shows the change in SES from 1966–1975 by occupation held in 1966. For example, between 1966 and 1975, white craft workers gained, on average, 5.59 SES points while black craft workers lost, on average, 2.43 SES points; white operatives gained 10.28 SES points while blacks gained 5.73 SES points, and white nonfarm laborers gained 17.07 SES points as compared to a black improvement of 9.91 SES points.[4] Black service workers gained, on average, less than one SES point more than did whites: a minimal

[4] Statistical tests were not performed on the racial differences in the change in SES values. As the SES is an ordinal measure, technically only the direction of change can be studied.

increment given the distinctly lower-status service jobs held by blacks.[5]

The differences in racial career patterns can be clearly seen by focusing on mobility to and from the craft occupation. Craft positions are skilled jobs, desirable to attain. Information is presented in Table 5 on the extent to which those holding positions below craft in the occupational hierarchy in 1966 were in craft or above positions in 1975 and the extent to which craft workers in 1966 were in positions below craft in 1975. In each case, whites in the same broad occupational group as blacks in 1966 were more likely to hold craft or better positions in 1975 with the racial differentials being statistically significant for operatives and nonfarm laborers. For example, 51 percent of white operatives but only 32 percent of black operatives in 1966 were in craft or better positions in 1975. Also, only 20 percent of white craft workers in 1966 were holding jobs below craft in 1975 while 36 percent of black craft workers were doing so. Thus, blacks had more difficulty in entering the craft category and, if there, had more difficulty remaining than did whites.

TABLE 5

Occupational Mobility of Men by Race From Selected Occupations to Craft and Above and From Craft to Selected Occupations Below Craft, 1966–1975[a]

Occupation (1966)	Craft and Above 1975[b]	
	White	*Black*
Operatives	51	32*
Service workers	50	36
Nonfarm laborers	54	29*
Farm laborers	27	21
	Below Craft 1975[c]	
Craft	20	36

[a] All quantities are percentages.

[b] Craft and above refers to professional, managerial, clerical, sales, or craft positions.

[c] Below craft refers to operative, service, nonfarm laborer, or farm laborer positions.

* is defined as in Table 2.

[5] As far as professionals and managers are concerned, there were very few blacks in these jobs in 1966. Also, at a relatively young age "manager" often refers to those overseeing fast food restaurants, earning relatively low wages. Eventually, as people age, they leave such jobs and take better ones, though jobs not perceived as better by the SES index.

Conclusions

Younger black men, included in the sample of workers employed in the survey week in 1966, 1969, and 1975, were more likely to be found at the bottom of the occupational hierarchy than were younger white men. Also, within virtually all occupational categories, blacks held lower status positions than did whites. Extensive job changing occurred from 1966 to 1975, and blacks, as a group, and whites, as a group, moved up the occupational hierarchy. But over the 1966–1975 time period, whites beginning in the same occupation as blacks generally improved their occupational standing more than blacks. In addition, during the economic downturn of the mid-1970s, black craft workers suffered large losses in occupational status relative to white craft workers.

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